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CHINA'S MILITARY MODERNIZATION: PROGRESS AND PROSPECTS

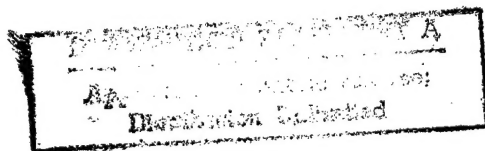
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The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Departments of the Army and Navy.



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15. Abstract: <p>In aggregate terms, China's military modernization program appears vast, relentless, and threatening. However, analysis of the program component parts, viewed in context with phenomena buffeting the Chinese political economy, yields a far different perspective. At this juncture, the threat is overstated. Despite achieving select "pockets of excellence", the Peoples Liberation Army (PLA) cannot achieve world class military power status before the year 2020.</p> <p>Meanwhile, time is available for the United States to engage China and shape her role in the Asian security environment. At the theater/strategic level, the United States Pacific Command (USPACOM) has the critical role in developing military-to-military contacts necessary for creation and sustainment of transparency measures essential for regional stability and security. 1997 was a pivotal year for Sino-American relations with the signing of the Military Maritime Safety Agreement. The challenge now is to expand this framework and ensure Chinese reciprocity.</p> <p>Recommended future actions included (1) creating a cadre of US military "China experts" to carry the program into the next century, (2) expanding the scope of military-to-military contacts down to the junior officer level, (3) exploring opportunities for joint training exercises and humanitarian operations.</p>			
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"China has already emerged. Today, China is an Asian Power and rightfully so. The United States does not fear this, nor do we view China as an adversary."

William S. Cohen at the Institute of Defense
and Strategic Studies, Singapore, January 15, 1998

Not all observers share the sentiment expressed by Secretary of Defense William S. Cohen. Indeed, a "cottage industry" of analysts and academicians has arisen in recent years speculating whether China's military modernization poses a threat to Asian regional stability and US national security interests. In general, the arguments fall into two opposing camps. The so-called "realists" advocate containment. Their argument rests on the proposition that emerging powers challenge the status quo with competing interests and therefore increase the likelihood of conflict. The self-styled "idealists" offer a plausible counter argument by stating that emerging nations should be "engaged" and enmeshed in a web of international agreements and protocols that temper behavior and set the conditions for peaceful resolution of key issues through the rule of law.

Both camps offer intriguing insights into how the world works. Neither, however, can fully answer the fundamental question – is China a threat? In aggregate terms, China's military modernization program appears vast, relentless, and threatening. However, analysis of its component parts, viewed in context with the phenomena buffeting the Chinese political economy, yields a far different perspective. China is constrained from achieving world class military power status before the year 2020. Meanwhile, time is available for the United States to engage China and shape her behavior. At the theater/strategic level, the United States Pacific Command (USPACOM) has the critical role in developing military-to-military contacts necessary for creation and sustainment of transparency measures essential for regional stability and security.

This purpose of this paper is to assess the status of China's military modernization program. To do so I will (1) briefly examine the strategic forces driving China's modernization efforts; (2) review China's defense funding levels and acquisition priorities; (3) identify and analyze constraints; and (4) discuss where and how USCINCPAC can make a difference in shaping China's strategic behavior.

DRIVING FORCES

What factors are driving China's military modernization program? First and foremost is the influence of history. The "Century of Shame" (e.g. the 19th and early 20th century period of Western and Japanese intervention) shapes the behavior of Chinese political and military élites. "This experience has left today's Chinese with a profound sense of indignation, humiliation, and vulnerability to harm by foreigners, plus a determination never to be mistreated again".¹ China is highly sensitive to perceptions of dependency and dominance which is often manifested in a latent suspicion and distrust of international organizations and alliances. Chinese leaders thus view economic wealth and power (*fu qiang*) as the only sure guarantees of independence².

Chinese threat perception forms a second powerful force. Though Beijing admits that the immediate security threat is lower than at any other time since 1949, they view the following potential threats and security concerns as justification for modernization:

- Three powerful neighbors (U.S., Japan, Russia), each possessing power projection capability for employment against China along with India's nuclear delivery capability
- A complicated situation on the Korean Peninsula
- Lingering territorial disputes in the South China Sea
- Internal security concerns that include nationalism in Inner Mongolia, Tibet and elsewhere in China
- Taiwan's growing independence movement and military capabilities³

A third factor is the awareness of growing military obsolescence. Although there is no "arms race" underway in Asia, Beijing is nevertheless acutely aware of the relative obsolescence

of its military forces in relation to the United States, Japan and ASEAN (Association of South East Asian Nations). Moreover, the on-going global revolution in military affairs (as evidenced by the outcome of the Persian Gulf War) threatens to further erode China's capabilities and prevent the PLA (Peoples Liberation Army) from either achieving parity or regional military dominance.

The fourth factor is economics. China is modernizing because it can afford to do so. Like most other nations, China wants military power commensurate with economic power. Additionally, "and more importantly, the UN Convention on the Law of Seas, with is authorized 200 mile exclusive economic zones, provides additional incentives to develop the ability to at least operate in and monitor, if not actually defend, these national zones".⁴ This is a significant driver given China's burgeoning energy requirements and dwindling energy reserves.⁵

Finally, the PLA is seeking the material means to satisfy the demands of a revised national military strategy. Beginning in June 1985, the Central Military Commission mandated that the PLA switch from planning for nuclear war and instead plan, train and equip for local conventional wars and unanticipated military contingencies.⁶ Commitment to these doctrinal changes is evidenced in the creation of two new types of land force organizations. "Fist" (*quantou*) units serve as test beds for new doctrinal concepts and weapon systems. Highly mobile "Rapid Reaction Units" (*kuaisu*) issued the latest equipment and trained for mobile warfare now serves in each of China's seven military regions.⁷ Concurrently, Chinese naval strategists departed from traditional practices by articulating the concept of the "sea as national territory" (*haiyang guotu guan*) and the need for extending strategic frontiers into the South China and East China Sea. "Consonant with these concepts, China's naval military doctrine

shifted from the coastal defense of the mainland to active defense of maritime economic and strategic interests.⁸

SCOPE OF THE MILITARY MODERNIZATION EFFORT

Containment advocates point to the rate of growth and overall size of Chinese defense expenditures as proof positive of the China threat. In reality, this crude measurement provides scant insight into the actual amount of resources China is devoting towards military modernization. The reason why rests with the complicated and arcane system for funding the PLA.

For example, the 1996 official PLA budget was \$7 billion. However, estimates of the overall PLA budget range from two to three times larger than the official budget. The basis for these inflated estimate are found in a 1995 GAO study which suggest that:

- Some defense spending is hidden in other parts of the state budget. For example, most military R&D costs are not included in the defense budget but are in the budgets of civilian ministries.
- The procurement of weapons, in particular arms imports, funded by special appropriations not included in the official budget.
- Defense revenues also come from the PLA's commercial activities. It is estimated that the PLA has over 10,000 businesses run by PLA units, members, and their families.
- PLA units grow crops and raise livestock for food and as a result require less funding.
- China uses profits from arms exports to subsidize the PLA's purchase of foreign weapon systems.⁹

Some analysts postulate PLA earnings from commercial activities merely helped it keep pace with rising costs (e.g. general inflation, maintenance of current force structure, salaries, pensions, military housing, etc.). Consequently, total outlays are of limited use as an analytical tool and do not provide the resolution required for discerning patterns and trends. Of greater significance is the type/quantity of new weapons systems in the acquisition pipeline, identification of Chinese military R&D priorities, and their relation to operational doctrine. Analyzing these factors provide a more precise measurement of current and future capabilities.

MODERNIZATION FOCUS AND STRATEGY

Overall the PLA is far too large to modernize *en masse*. PLA force modernization is geared instead towards replacement of *select* first and second-generation combat, combat support, logistics and command, control, communications and intelligence (C3I) systems. China pursues a dual-track policy of “off the shelf” foreign arms and military technology purchases, and indigenous production of weapons systems through “reverse engineering”.¹⁰

“The most noteworthy aspect of the procurement effort has been the selective purchase of equipment from abroad for the PLA Air Force (PLAAF) and Navy (PLAN) to quickly compensate for the most serious shortcomings in China’s military capabilities and, if possible, to catalyze the production of better indigenously produced equipment.”¹¹

In terms of sources for arms and military technology, the collapse of the Soviet Union was a fortuitous event for China. It meant bargain basement prices for modern weaponry (including military production technology) for an increasingly prosperous China. Indeed, the preponderance of foreign weapons acquisitions since 1990 has been from Russia because western nations essentially embargoed arms and military technology transfers to China following Tiananmen Square. Both the PLA(N) and PLA(AF) are the primary recipients of the modernization program (the PLA is relegated to the lowest priority category and consequently will not be addressed in this paper).

PLA(N) Modernization. The Navy intends to deploy vessels with greater range, firepower (emphasis on anti-ship missiles) and survivability that can function beyond the coastal areas consistent with the new maritime strategy.¹² A combined program of selective upgrades to the current fleet inventory (e.g. upgraded propulsion and weapons technologies), production of indigenously designed warships, and acquisition of new Russian-built submarines and guided missile destroyers is currently underway. Key surface fleet additions include orders for two

Sovremennyyi-class guided missile destroyers to provide a much more lethal capability than current fleet assets). Most significantly, the PLA(N) intends to improve surface fleet sustainability and operational reach by building more sophisticated tankers and supply ships. The preponderance of China's existing fleet of amphibious-warfare ships has limited open-ocean capability. To remedy this deficiency, the PLA(N) is acquiring newer designs (such as the *Qiongsha* attack transport and newer *Yukan* and *Yuting* class LST's) that can support PLA(N) Marine Corps landings.¹³ Overall, the projected improvements to sustainment and amphibious capabilities, as well as efforts to improve air defense and ASW, are serious attempts to rectify deficiencies noted during the 1996 Taiwan Straits crisis.

The trend in submarine force modernization parallels the surface fleet upgrades. Older, noisier designs are being replaced.

"China has imported from Russia four (and reportedly plans to purchase as many as sixteen more) Kilo-class conventional submarines (two of which are the advanced "project 636" version rated by the U.S. Office of Naval Intelligence as comparably quiet to the Los Angeles-class SSN). Beijing has also begun production of its indigenous Song-class vessel (not yet as quiet as the most advanced Kilos) and continues development of a replacement for the troubled Han-class SSN, although it appears this make take at least another decade".¹⁴

Although there remains much speculation and reporting as to whether China will opt for development or purchase of aircraft carriers, *no firm plans* are currently evident. Undoubtedly China wishes to acquire this capability, but a formidable set of financial and technical difficulties block her ambitions. First is the cost. Carriers are a multi-billion dollar weapon system requiring a host of support vessels (escorts, tankers, replenishment ships, etc.). Deployment of one carrier would require virtually every support ship in the Chinese inventory along with the bulk of the most capable vessels for escort duty. To sustain a permanent "blue water" power projection capability, China must build more than one carrier battle group. Despite a decade of sustained economic growth, China does not have the financial wherewithal to fund such an ambitious

program. Secondly, China has neither the technological base to build either a conventional carrier or the associated carrier based aircraft. An alternative "quick-fix" option is to purchase a foreign-built aircraft carrier. However, no western nation seems willing to make such a transfer. Though reports have surfaced regarding Macao's interest in purchasing from Ukraine the partially constructed carrier *Varyag* (with a possible transfer to China after 1999), this appears a less than optimum alternative. "The only other country that has a short take-off/vertical landing (STOVL) aircraft technology is Russia, which has discontinued the production of its Yak-141 program."¹⁵ Construction of helicopter carriers is perhaps the most likely an interim measure in terms of cost, technological feasibility, and consistency with current doctrine and strategy. Helicopter carriers would also provide the PLA(N) with a laboratory "test bed" for future design concepts and cadre training.

Does the PLA(N) modernization trend suggest future intent to "mirror-image" (and hence directly confront) US power projection capability in the 21st century? There is insufficient evidence available to support this theory. Indeed, the focus on submarine fleet modernization and procurement of surface combatants armed with precision guided weapons suggest the opposite approach – cheaper and less vulnerable vessels capable of *denying* regional access to an opponent and/or sailing unassisted into contested areas. Most notably, there is little supporting evidence to suggest any acceleration of the PLA(N) modernization effort.

PLA(AF) Modernization. The current PLA Air Force inventory (in excess of 5000 fixed-wing aircraft) is obsolete. Air Force modernization priorities include purchasing foreign-built fourth generation fighter aircraft, engines, advanced air-to-air missiles and advanced electronic countermeasure (ECM) pods; acquiring or developing an air-to-air refueling

capability; indigenously developing or co-producing fourth generation fighter aircraft; and purchasing an airborne early warning radar (AEW) system.¹⁶

Compared to only a decade ago, the PLA(AF) has significantly improved its capabilities via the purchase of approximately 50 Russian Su-27's (comparable to US F-15's). China has reportedly reached agreement with Russia to co-produce an additional 200. If the co-production plan works, China could field (in the next decade) a streamlined highly capable air force on par with other ASEAN nations. Many analysts, however, express doubts as to whether China can meet the production challenge. For example, after nearly 26 years in development, China's indigenous F-8II fighter program (basically equivalent to a US F-4 Phantom) remains in the development phase – at a time when many nations have already fielded fourth generation fighters and are engaged in R&D for the next generation fighter. Overall,

“China's track record in aircraft manufacturing is poor, in part explaining its current turn to imports despite an enduring preference for self-reliance. It is unclear whether China's military has the ability to maintain the advanced equipment it is importing and co-producing. At a minimum, such problems cast doubt on the PLA's ability to smoothly translate new equipment purchases into *operational* pockets of excellence, especially given the latter will depend also on adequate training of personnel and integration of better equipment with revised doctrine for its use”.¹⁷

SU-27 purchases alone will not provide China with a regional combat capability. Until China acquires and integrates AEW and air-refueling capabilities into the operational force structure, it will remain incapable of sustained regional combat operations.¹⁸

Strategic Force Modernization. “Beijing's strategy for nuclear deterrence is straightforward: China shall have the capability to respond to any nuclear attack with a second strike lethal enough to seriously harm the attacker”.¹⁹ Nuclear weapons also represent an important domestic psychological element – signifying “great power” status and compensating for China's sense of strategic insecurity. Thus, despite the end of the Cold War, China remains committed to modernizing her small nuclear deterrent force. Current efforts focus at improving

quality (e.g. enhanced accuracy by incorporating GPS systems and advanced terminal guidance packages, increasing yield and survivability, etc.) rather than quantity. China is pressing ahead with development of second-generation, solid fuel, land based and submarine launched ICBM's but is not expected to produce and field any substantial numbers until after the year 2000. By 2010, however, China may possess up to 50-70 ICBM's (with multiple independently targeted reentry vehicles – MIRV's) deployed in mobile launchers and hardened silos capable of targeting all of Asia, western Russia and most of the United States. Additionally, China plans to deploy a small number of second-generation nuclear-powered ballistic missile submarines.²⁰

China's *relative* nuclear strength will thus *increase* at a time when Russia and the United States are *decreasing*. Will this trend destabilize the regional military balance? Only if China matches the build up with assertive behavior. However, there are number of reasons favoring self-restraint.

"Chinese economic growth, which is essential for domestic political stability, would be placed in jeopardy if the PRC triggered a region wide arms race – nuclear or conventional – that had an adverse effect on the currently favorable economic climate. Most importantly, Beijing clearly would prefer to maintain the current nuclear (im)balance in Asia-Pacific: for reasons of regional stability and regional advantage, the PRC has a clear interest in minimizing the chance that either or both Koreas or Japan gain nuclear weapons (to say nothing of Taiwan)".²¹

Until India's recent underground detonation of five nuclear weapons, most analysts believed that the pace of Chinese strategic force modernization would remain at a steady, albeit modest pace.²² Delhi's nuclear testing, preceded by the Indian Defense Minister's remarks that China, not Pakistan is India's main threat, could possibly induce Beijing to reassess its nuclear program. However, China can outmatch India in both a conventional and nuclear confrontation. It is thus likely that Beijing will remain more concerned over problems associated with independence-minded Taiwan and a rearmed Japan than with Delhi.²³

"There could be a bright side for China in all this. Everyone hopes that Pakistan will show restraint, and there is no one better positioned than China to influence or cajole the Pakistanis. According to some accounts, Pakistan's nuclear-bomb design is based on Chinese technology, although China denies it. China helped in a minor way to restrain North Korea's apparent nuclear ambitions, getting a good-conduct badge from the Americans. In both the Korean peninsula and the subcontinent's arms race, American and Chinese interests to some extent overlap".²⁴

WILD CARDS. The good news is that China is a signatory to the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC). The bad news is that China is *suspected* of possessing a CW and BW capability. It is unknown whether there are any weapon stockpiles or operational delivery systems or if China retains an active research and development (R&D) program.²⁵

Based on China's recent doctrinal writings, there appears strong interest in information and asymmetrical warfare.²⁶ However, given the lack of transparency concerning Chinese military R&D, little is known through open sources concerning the actual scope of the R&D effort. China mostly retains the old Soviet-type methodology for technical innovation.

"...the systems for production, procurement and external linkages of the military sectors in China and India are suffering from many of the same defects as civil R&D. These relate to the lack of a concerted and continued learning process, combining foreign and domestic inputs to achieve and maintain technological capabilities in core networks. These weaknesses are exacerbated by the problems of putting domestic R&D results into actual production. Production in China is often segregated from R&D in ways that make the transfer of technological know-how very difficult".²⁷

Despite expressed interest in asymmetric and information warfare, outmoded R&D processes will continue to impact on desired outcomes.

FACTORS LIMITING MILITARY MODERNIZATION

Can the PLA, in the foreseeable future, rapidly expand its "pockets of excellence" into a robust combined arms military force capable of sustained power projection within Asia? Not easily and not unnoticed.

Consider first that rapid expansion into world-class military power status would require a fundamental shift in Chinese strategic priorities. Remember that military modernization ranks fourth after agriculture, industry, and science and technology (Deng Xiaoping's "Four Modernizations"). Turning around so vast a ship of state as the Chinese political economy will neither come fast, easy or without the potential for internal discord (a condition that Chinese leaders fear equal to or exceeding that of foreign domination). So far, there is scant evidence that China is making such a tectonic shift. Indeed, the recent 15th Party Congress (October 1997) reaffirmed economic growth as the premier strategic objective.²⁸

Clearly, an expanding economy has aided the pace of military modernization and is essential to sustain the current modest rate of growth in selective areas. Economic stagnation or decline would certainly hurt. China has managed so far to duck the economic bullet that wounded neighboring Asian economies.²⁹ However the structural afflictions boring away at the Chinese economy are no less serious. Under present economic conditions (e.g. failing state industries, dysfunctional banking system, declining foreign capital investment, etc.), China may not be able to sustain the growth rate experienced in the past decade. Major restructuring is required and must be done while simultaneously controlling a myriad of other critical challenges (e.g. over-population, pollution, dwindling energy resources, increased demands for social services, rising nationalism, crime, etc.).

China thus faces a Hobson's Choice – modernize the economy or modernize the military. Even if the Chinese leadership wanted to, diversion of a larger percentage of resources to the military sector may not be possible without risking serious social and political discord. Other societies have succeeded in doing so in the short-term (witness the old Soviet Union and the

Democratic Republic of Korea) but the long-term consequences often entails poverty and diplomatic isolation - conditions that Beijing seems keen to avoid.

A decelerating Chinese economy could indeed lead to a number of worst case scenarios. It could, for example, generate pressure to aggressively market arms (especially ballistic missiles) to "hot spot" areas as revenue generators.³⁰ This, in turn, could precipitate a backlash of ASEAN and western (especially US) hostility, reinforcing Chinese xenophobic tendencies and creating a rising spiral of regional tensions. However, the opposite argument is equally plausible. Pressing economic issues may instead steer China inward, curtail military modernization, and inhibit aggressive behavior. The point being is that changes in economic conditions *will* undoubtedly affect military modernization *but in ways that may be very difficult to predict*.

Exclusive focus on procurement and production of advanced weapons systems skews the analysis. Equally important is the PLA's ability to *absorb* new technology and *integrate* with new doctrinal and operational concepts. Here too the PLA faces formidable challenges. In order to fully exploit new technologies and translate into *useable* military power, the PLA must first work out organizational adaptations that fully capture the benefits of these new systems. This implies major force restructuring and reorganization. So far the PLA has focused mostly on downsizing (primarily for budgetary reasons). Organizational reforms are not broad-based but instead limited to select units (e.g. PLA "Fist" and "Rapid Reaction Units"). The PLA is acutely aware of deficiencies in military education and training standards. However, rapid change is unlikely since major reforms would challenge long standing cultural, political and organizational norms. Another factor inhibiting organizational reform is the continued PLA ownership and management of military industries. At best this drains talent and distracts from military professionalism, training and readiness. At worst it is a corrupting influence.

Finally, China remains weak in “knowledge power” critical for an advanced military/industrial complex. The capacity of China’s scientific community presently remains too low for ambitious modernization plans affecting all three services simultaneously.

“It is unlikely that the Chinese industrial base can surmount these problems without massive resources from the central government and the expense of acquiring considerably more technology and production assistance from foreign sources. Manufacturing equipment and techniques on most lines are inadequate to meet modern standards. Production is too low even at current technological levels to allow for a rapid buildup of modern equipment. It would not be an overstatement to say that even to produce a portion of the range of modern arms, Chinese industries with few exceptions would need nearly total recapitalization of its production lines”.³¹

In the meantime, the US, Japan and ASEAN nations (starting from a more advanced technological base) are not sitting still and continue to modernize their forces. Indeed, the gap may not be closing as feared but actually widening in favor of ASEAN and the US.

WHAT ALL THIS MEANS

Despite achieving “pockets of excellence”, Chinese military modernization *has not* achieved the technological or operational depth to *seriously* alter the regional balance of power. China *has*, however, obtained the means to *destabilize* regional security *by increasing the costs* to potential opponents.³² Given current trends, it seems unlikely that they will do so until well into the next century. The PLA thus is confronted with a difficult dilemma on how to close the gap between ends and means. The path that Beijing takes – whether to increase or decrease resources for military modernization, will ultimately depend on how it views the strategic environment. Influencing Beijing’s perceptions will not be easy and will require a committed, focused and collective effort by the United States and ASEAN nations.

UNITED STATES PACIFIC COMMAND (USPACOM) AS POINT MAIN

Shaping the regional security environment through contact with regional military counterparts is an essential component of our national military strategy.³³ It is especially important in regards to China, where the PLA exerts a dominant influence. The Commander-in-

Chief of the United States Pacific Command (USCINCPAC) is working hard to engage the PLA in a constructive dialog. However, USCINCPAC is playing "catch-up" from the hiatus (1989-1994) in military-to-military contacts generated by Tienanman Square.

USCINCPAC is pursuing a three-fold strategy of engaging the PLA with the objective of creating mutual transparencies and confidence building measures. The theory behind this strategy is that military establishments, which understand each other's capabilities and intentions, are less prone to miscalculation. It would seem, however, that given China's historical legacy, transforming theory to practice would prove a formidable challenge. How then is USCINCPAC executing this engagement strategy?

The first step is reinstating and formalizing military-to-military contacts. The main effort undertaken to date has been at the defense secretary and four-star levels. For example, senior US Defense Department officials undertook three trips to China in 1997 and early 1998 and PLA representatives visited USPACOM and the National Defense University in 1997.³⁴ During these visits, US national policy was explained to senior PLA leaders and key issues were identified. The chief aim was to establish venues for future routine contacts. These "ice-breaker" sessions proved fruitful and allowed for planning subsequent exchanges during 1998 (e.g. continued US port calls to Hong Kong, PLA(N) port calls to the continental US, etc.). On 19 January 1998, Secretary of Defense (SECDEF) Cohen signed the Military Maritime Consultative Agreement during his visit to Beijing, thereby formally establishing mechanisms for confidence building measures.³⁵ It is significant to note that SECDEF has given USCINCPAC the lead in implementation of the agreement – as opposed to the Incidents at Sea Agreement (INSEA) with Russia where implementation was retained at the Washington level.³⁶

The second step is broadening the dialogue into new areas. USCINCPAC recently presented the Chinese with several proposals for exercises focusing on areas of mutual concern that included: (1) PLA(N) observers to the RIMPAC 98 Exercise, (2) a medical, humanitarian assistance or disaster relief exchange with PACOM Special Operations Forces, and (3) A search and rescue exchange with Alaskan Command.³⁷ The final, long-term step is advancing from confidence building to real-world cooperation (e.g. humanitarian *operations*). This will prove a daunting task. China has little historical background in combined military operations and may prove reticent to cooperate out of fear of exposing weaknesses.³⁸

How can USCINCPAC measure success? First and foremost by the degree of PLA reciprocity.

“While the American military has willingly shown many bases and installations to visiting Chinese delegations, access to Chinese military bases and installations remains severely limited. Moreover, efforts to make the PLA more transparent in publicly reporting real defense budget allocations, troop movements, defense doctrine, and strategic outlook have met with little progress . . . problems of transparency and reciprocity will predictably begin to place limits on the further development of bilateral military relations”.³⁹

Measuring reciprocity is not an exact science. Indeed, there are two opposing DOD interpretations of reciprocity – “strict reciprocity” and “rough parity”. The former interpretation calls for a “one-for-one” approach towards military contacts. Progress is measured on the quantity and relative equality of the contacts. While providing incremental dividends, this approach does entail some risks. For example, the PLA may be unable (as opposed to unwilling) to show a similar facility or capability and subsequently lose face. The latter interpretation focuses instead on the process, and views the pace and trend of contacts as the critical elements towards achieving transparency. USCINCPAC’s recent experience suggests that, at least for the short term, the “rough parity” approach is proving more successful than “strict reciprocity”.⁴⁰

Beyond the aforementioned initiatives, are there any additional measures that USCINCPAC can undertake to further move the process?

First, extend the scale of contact down from the Flag level and include mid-grade (e.g. 04/05 level) officers. Move beyond foreign area specialists and include line officers – those that will operationally deal with future critical regional security issues. Next, increase opportunities for PLA mid-grade officers to observe select USCINCPAC training events. For example, the PLA(N) recently accepted the invitation to send a small number of observers to the RIMPAC 98 exercise. USCINCPAC should capitalize on this precedent and routinely invite PLA observers to other exercises. Finally, USCINCPAC should lobby SECDEF for inclusion of PLA officers into the International Military Education Program (IMET) – initially at the Senior Service College level and Command and General Staff College levels. IMET participation is a long-term investment strategy. Though it will be difficult to overcome the legacy of 1989, IMET can aid the process by providing PLA officers with in-depth exposure to US military institutions, values and norms. Through exposure of American civil and military cultures, PLA officers may better understand the benefits of openness and transparency. By the same token, the spirit of reciprocity demands that we simultaneously send qualified officers to China's service education programs.

This will not be easy given the dearth of language qualified US officers. Thus, USCINCPAC must lobby for service-wide personnel accession and training initiatives that ensure sufficient numbers of "China specialists" (military and civilian) to carry the relationship in the next century. Consideration should be given to active recruitment of naturalized citizens of Chinese origin to sustain the experience "gene pool". USCINCPAC should state this as a

critical requirement. Resourcing the USPACOM engagement strategy with human talent is equally as important a resource issue as acquiring and fielding advanced weapon systems.

It would be grossly premature to predict whether this "crawl-walk-run" approach will ultimately prove successful. Unlike former Warsaw Pact nations clamoring to join NATO, China will not be as willing and eager a partner. Indeed, an inherent danger in the USCINCPAC approach is the overestimation of our capacity to influence China.⁴¹ China may resist efforts to build transparency because of fear of being perceived as weak.⁴² At best, resistance may trigger frustration. At worst it will form a misguided basis for force planning.

"Important institutional interests in China have a stake in resisting the steps to improve transparency that might defuse exaggerated concerns about the PLA's capabilities; at the same time, important institutional interests elsewhere, especially in the United States, have a stake in highlighting the specter of a threatening China to justify the burden of large-scale military investment in a Soviet-less post Cold War World."⁴³

It will take strong political and military leadership by both parties to resist precipitating an unwanted and unwarranted Asian arms race.

CONCLUSION

It would be foolish to underestimate or dismiss China's military modernization program. It is equally foolish to overrate the threat and embark upon a Soviet-era policy of containment. China's military modernization is of concern but does not necessarily portend an era of regional instability. Fortunately, there is still time available for the US to take prudent action aimed at *influencing* the outcome. USCINCPAC's emerging relationship with the PLA is the centerpiece of the national military strategy of engagement with China. The challenge is to alter the strategic perceptions of the PLA leadership toward the mutual goal of regional peace and stability. There is no guaranteed formula for success. Real progress will take time, patience and flexibility. The

important point now is to institutionalize the process, resource the effort, and work towards common interests.

NOTES

¹ Dennis Roy, "The Foreign Policy of Great-Power China," Contemporary Southeast Asia, September, 1997, 123.

² Dr. Ehsan Ahrari, "China's Naval Forces Look to Extend Their Blue-Water Reach", Jane's Intelligence Review, April 1998, 32.

³ Ralph A. Cossa, "Emerging Military Capabilities", Blue Horizon: United States-Japan-PRC Tripartite Relations, <http://www.ndu.edu/ndu/inss/books/bluhor/blufrd.html> (19 March 1998), 2.

⁴ Ibid., 3.

⁵ Christopher Layne, "A House of Cards: American Strategy Towards China", World Policy Journal, Fall 1997, 88.

⁶ Recent examples of Chinese military literature (released by China's National Defense University) can be found in "Chinese Views of Future Warfare" published by the National Defense University Institute for Strategic Studies. *While China may certainly be releasing only those documents designed to support what the PLA wants the west to believe*, it is still interesting reading insofar as it highlights the overall switch in strategic thought and interest in the RMA.

⁷ John J. Schulz, "China as a Strategic Threat: Myths and Verities", Strategic Review, Winter 1998, 10.

⁸ Samuel S. Kim, "China as a Great Power", Current History, September 1997, 248.

⁹ General Accounting Office. "National Security: Impact of China's Military Modernization in the Pacific Region", GAO/NSIAD-95-84, 6 June 1995, 10.

¹⁰ Norman Friedman, "Chinese Military Capacity: Industrial and Operational Weaknesses", in Military Capacity and the Risk of War: China, India, Pakistan and Iran, ed. Eric Arnett (Oxford: Oxford University Press, 1997), 64-66, 68. Friedman discusses four phases of Chinese military development; (1) Soviet help leading to the production of Soviet equipment, (2) indigenous development from Soviet prototypes, (3) purchases of western technology, leading in some cases to unlicensed copying, and (4) licensed production of Soviet-developed equipment following the collapse of the Soviet Union. Reverse engineering was instrumental in phases 2 and 3. Friedman makes a compelling argument why reverse engineering is no longer a viable tool. Analog systems, once disassembled to its component parts, "reveals all secrets." The same is not true for digital systems. Source codes are the key to digital systems, and it is nearly impossible to capture and reconstruct machine code embedded in read-only chips; Also see Schulz (page 12)

for his discussion of Chinese reverse engineering as a means of achieving military self-sufficiency.

¹¹ Avery Goldstein. "Great Expectations: Interpreting China's Arrival", International Security, Winter 1997/1998, 44.

¹² Eric Grove, "Maritime Forces and Stability in Southern Asia", Military Capacity and the Risk of War: China, India, Pakistan and Iran, ed. Eric Arnett (Oxford: Oxford University Press, 1997), 307-308. "In the 1980's China adopted a strategy of layered offshore active defenses out to the "First Island Chain": the Aleutians, the Kuriles, Japan, the Ryukus, Taiwan, the Philippines and the Greater Sunda Islands. This covers all the South China Sea, the Formosa Strait, the East China and Yellow Seas, and the seas of Japan and Okhotsk. The concept covers a three-layer defense, the first out to the first island chain, formed of submarines, medium-range aircraft and the most capable surface ships; the second out to about 150 miles and composed of less capable surface assets, shorter-range specialized anti-ship aircraft and the more capable missile craft; and the third out to about 60 miles from the coast, composed of the main naval air force, less capable fast-attack boats and land-based coastal defense missiles. This has governed force development since then".

¹³ Goldstein, 48.

¹⁴ Ibid.

¹⁵ Ahrari, 33.

¹⁶ GAO, 12.

¹⁷ Goldstein, 46.

¹⁸ Paul H Godwin, "Military Technology and Doctrine in Chinese Military Planning: Compensating for Obsolescence," Military Capacity and the Risk of War: China, India, Pakistan and Iran, ed. Eric Arnett (Oxford: Oxford University Press, 1997), 48.

¹⁹ Paul H. Godwin, "Uncertainty, Insecurity, and China's Military Power", Current History, September 1997, 256.

²⁰ Patrick J. Garrity, "Nuclear Weapons and Asia-Pacific Security", National Security Studies Quarterly, 46.

²¹ Garrity, 48.

²² Schulz, 12. This assumes the lack of a major "trigger event" precipitating a crash nuclear expansion program (e.g. Taiwan declaration of independence, US fielding of a theater ballistic missile defense system or a massive Japanese rearmament program).

²³ "What About the Economic Bomb?", The Economist, 38.

²⁴ Ibid.

²⁵ Eric Arnett, "Military Research and Development in Southern Asia: Limited Capacities Despite Impressive Resources", Military Capacity and the Risk of War: China, India, Pakistan and Iran, ed. Eric Arnett (Oxford: Oxford University Press, 1997), 273; GAO, 14.

²⁶ Stephen P. Aubin, "China: Yes, Worry About the Future", Strategic Review, Winter 1998, 18.

²⁷ Erik Baark, "Military Technology and Absorptive Capacity in China and India: Implications for Modernization", Military Capacity and the Risk of War: China, India, Pakistan and Iran, ed. Eric Arnett (Oxford: Oxford University Press, 1997), 109.

²⁸ Avery Goldstein, "China in 1997: A Year of Transitions", Asian Survey, January 1998, 40-41.

²⁹ LTC Frank Miller, "Asian Financial Crisis and PRC - Implications for DOD", USPACOM J514 Fact Sheet, 9 April 1998. Miller states that "the Asian financial crisis has little effect on China's protected economic system . . . US Treasury Department not concerned . . . US State Department encouraging China not to devalue currency". The reasons for minimal effect include: (1) Asian factory order loss expected to account for only 1% of GDP reduction, (2) large surpluses in China's international balance of payment accounts and (3) most foreign direct investment is in China's factories and infrastructure - - less turbulent than the stocks, bonds and foreign exchange portfolios of affected ASEAN nations. Other financial analysts may disagree with this PACOM assessment.

³⁰ Dennis J. Blasko, "Evaluating Chinese Military Procurement From Russia", Joint Force Quarterly, Autumn/Winter, 97/98, 94. There is a counter argument to this scenario. Blasko points out that Chinese arms sales have actually *declined* in the 1990's and is indicative of the general state of Chinese military industries. He states, "Given the choice, foreign purchasers have selected Western or Russian arms sales over Chinese in the last several years. Today the low price of China's weaponry cannot overcome its lack of sophistication".

³¹ Ibid.

³² Robert S. Ross, "Beijing as a Conservative Power", Foreign Affairs, March/April 1997, 40.

³³ John M. Shalikashvili, Chairman of the Joint Chiefs of Staff, National Military Strategy of the United States of America: Shape, Respond, Prepare Now: A military Strategy for a New Era, 1997, 12-13.

³⁴ Examples of US visits include: (1) the 14 May 1997 visit by CJCS GEN John Shalikashvili to the Chinese People's Liberation Army National Defense University in Beijing, (2) the 11 December 1997 visit by ADM Joseph W. Prueher, USCINCPAC, to the Chinese People's

Liberation Army National Defense University in Beijing, and (3) the 19 January 1998 visit by Secretary of Defense William Cohen to the Academy of Military Sciences, Beijing. LTG Wu Quanxu, Deputy Chief of the PLA General Staff, visited CINCPAC HQ's on 7 July 1997.

³⁵ "Agreement Between the Department of Defense of the United States of America and the Ministry of National Defense of the People's Republic of China on Establishing a Consultation Mechanism to Strengthen Military Maritime Safety", 19 January 1998, 2. Article II establishes consultation mechanisms including "annual meetings, working groups and special meetings". Flag ranking officers head delegations to the annual meetings.

³⁶ Conversation with Professor James F. Giblin Jr., US Naval War College, 5 May 1998.

³⁷ LTC Frank Miller, "China Update", USPACOM J514 Fact Sheet, 16 April 1998, 4. The PLA response to USCINCPAC's CY 98 proposal increases the overall number of contacts from CY 97 but remains below CY 89 levels.

³⁸ This could change. On a positive note China *has* acceded to multilateral security agreements such as the nuclear Non-Proliferation treaty ('92), Comprehensive Test Ban Treaty ('96), Chemical Weapons Convention ('93), and the Biological Weapons Convention ('84). China has also recently shown an interest in the ASEAN Regional Forum (ARF). Still, it is a *big step* from adherence to active participation at the unit level in multi-lateral security forums.

³⁹ David Shambaugh, "The United States and China: Cooperation or Confrontation?", Current History, September 1997, 243.

⁴⁰ LTC Frank Miller, "Rough Parity Versus Strict Reciprocity", USPACOM J514 Fact Sheet, 27 October 1997.

⁴¹ Martin Petersen, "The Future of East Asia: Meeting the Challenge of the Eight Realities", National Security Studies Quarterly, 39. Petersen's "Second Reality" posits that "Asia will be harder to influence and the image of the United States will be less positive than it is today. The political evolution underway in Asia today is producing systems with more actors, more interests, and more complex decision making processes". Ming Zhang ("The Shifting Chinese Public Image of the United States, Strategic Forum, November 1996) expresses a similar observation. In this case he cites broad expression of anti-US sentiment across China as part of rising Chinese nationalism.

⁴² Schulz, 14. Schulz provides insightful commentary on Chinese strategic thinking by pointing out that "... the grand strategy of Beijing's leaders has had, for many years, a "puffer fish" (or blowfish) element to it. It is much like this toxic fish, whose first defense is to swell far beyond its real size when faced with danger." Furthermore, "with secrecy so deeply ingrained in the PLA's aging leaders, who have spent a lifetime in national security affairs and seldom deal with foreigners, the idea of producing a White Paper like those produced by Japan and South Korea,

which are models of transparency designed to reduce tensions, is a source for genuine psychic strain and a dangerous notion”.

⁴³ Goldstein, “Great Expectations: Interpreting China’s Arrival”, 72-73.

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